

Company Registration No. 02798524 (England and Wales)

EUROPLAST (BLACKBURN) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2017

EUROPLAST (BLACKBURN) LIMITED

COMPANY INFORMATION

Director	Mr Z V Issa
Secretary	Mr Z V Issa
Company number	02798524
Registered office	Unit 1 - 2 Euro House Duttons Way Shadsworth Business Park Blackburn Lancashire BB1 2QR
Auditor	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
Business address	Unit 1 - 2 Euro House Duttons Way Shadsworth Business Park Blackburn Lancashire BB1 2QR

EUROPLAST (BLACKBURN) LIMITED

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EUROPLAST (BLACKBURN) LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 MARCH 2017

The director presents the strategic report and financial statements for the year ended 31 March 2017.

The results for the year are disclosed in the attached financial statements.

The principal activity of the company during the year was the manufacturing of bubble wraps, bubble bags, bubble envelopes & other bubble related products. The company manufactures LDPE films; tubings & bespoke LDPE bags.

Fair review of the business

The company returned an excellent pre tax profit in the year of £985,576 being an increase of £238,298 from the previous year.

This result is directly related to the continued investment into new machinery over past years & maintaining & increasing the profitability and efficiency of the business compared to 2016. The company is targeting turnover growth going forward without reducing the profit margins of the business.

Other operating income has decreased by £683,256 from 2016 levels as a result of the transfer in ownership of land and buildings to an associated company during the 2016 financial year.

This reduction in other operating income further emphasises the excellent profitability recorded in the year when compared to the previous year.

Principal risks and uncertainties

A fundamental risk to the business comes from the quality of raw material used in production along with ensuring the correct quality of product is manufactured using this raw material. An inferior quality product would definitely damage the company's reputation as the premier supplier of packaging material in the U.K market.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through standard credit control procedures.

On behalf of the board

Mr Z V Issa

Director

19 March 2018

EUROPLAST (BLACKBURN) LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 30 MARCH 2017

The director presents his annual report and financial statements for the Period ended 30 March 2017.

Principal activities

The principal activity of the company continued to be that of polythene bag and bubble wrap manufacturers and scrap polythene dealers.

Director

The director who held office during the Period and up to the date of signature of the financial statements was as follows:

Mr Z V Issa

Results and dividends

The results for the Period are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

Pierce C A Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

EUROPLAST (BLACKBURN) LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

On behalf of the board

Mr Z V Issa

Director

19 March 2018

EUROPLAST (BLACKBURN) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EUROPLAST (BLACKBURN) LIMITED

We have audited the financial statements of Europlast (Blackburn) Limited for the Period ended 30 March 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2017 and of its profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Director's Report for the financial Period for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

EUROPLAST (BLACKBURN) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EUROPLAST (BLACKBURN) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

James King (Senior Statutory Auditor)
for and on behalf of Pierce C A Limited

20 March 2018

Statutory Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

EUROPLAST (BLACKBURN) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 MARCH 2017

		Period ended 30 March 2017	Year ended 31 March 2016 as restated
	Notes	£	£
Turnover	4	10,160,831	8,914,380
Cost of sales		(5,389,165)	(4,770,517)
Gross profit		4,771,666	4,143,863
Distribution costs		(1,140,187)	(1,032,354)
Administrative expenses		(2,533,756)	(2,889,938)
Other operating income		1,202	684,458
Operating profit	5	1,098,925	906,029
Interest receivable and similar income	8	-	2
Interest payable and similar expenses	9	(113,349)	(158,753)
Profit before taxation		985,576	747,278
Tax on profit	10	(134,743)	(25,667)
Profit for the financial Period		850,833	721,611

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

EUROPLAST (BLACKBURN) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 MARCH 2017

	Period ended 30 March 2017 £	Year ended 31 March 2016 as restated £
Profit for the Period	850,833	721,611
Other comprehensive income		
Revaluation of tangible fixed assets	-	(317,813)
Total comprehensive income for the Period	<u>850,833</u>	<u>403,798</u>

EUROPLAST (BLACKBURN) LIMITED

BALANCE SHEET

AS AT 30 MARCH 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		2,589,292		2,528,736
Current assets					
Stocks	12	731,678		469,655	
Debtors	13	6,429,649		6,058,436	
Cash at bank and in hand		508,722		789,076	
		<u>7,670,049</u>		<u>7,317,167</u>	
Creditors: amounts falling due within one year	14	<u>(5,469,818)</u>		<u>(5,404,632)</u>	
Net current assets			2,200,231		1,912,535
Total assets less current liabilities			<u>4,789,523</u>		<u>4,441,271</u>
Creditors: amounts falling due after more than one year	15		(440,325)		(847,594)
Provisions for liabilities	18		<u>(144,396)</u>		<u>(239,708)</u>
Net assets			<u>4,204,802</u>		<u>3,353,969</u>
Capital and reserves					
Called up share capital	22		20,000		20,000
Profit and loss reserves			<u>4,184,802</u>		<u>3,333,969</u>
Total equity			<u>4,204,802</u>		<u>3,353,969</u>

The financial statements were approved and signed by the director and authorised for issue on 19 March 2018

Mr Z V Issa

Director

Company Registration No. 02798524

EUROPLAST (BLACKBURN) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 MARCH 2017

	Share capital	Revaluation reserves	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 31 March 2016:				
Balance at 1 April 2015	20,000	1,264,107	4,233,170	5,517,277
Effect of prior year adjustment	-	-	(2,567,106)	(2,567,106)
As restated	20,000	1,264,107	1,666,064	2,950,171
Period ended 31 March 2016:				
Profit for the period	-	-	721,611	721,611
Other comprehensive income:				
Revaluation of tangible fixed assets	-	(317,813)	-	(317,813)
Total comprehensive income for the period	-	(317,813)	721,611	403,798
Transfers	-	(946,294)	946,294	-
Balance at 31 March 2016	20,000	-	3,333,969	3,353,969
Period ended 30 March 2017:				
Profit and total comprehensive income for the period	-	-	850,833	850,833
Balance at 30 March 2017	20,000	-	4,184,802	4,204,802

EUROPLAST (BLACKBURN) LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 MARCH 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	1		1,080,349		(3,356,327)
Interest paid			(113,349)		(158,753)
Income taxes paid			(362,543)		(72,386)
Net cash inflow/(outflow) from operating activities			604,457		(3,587,466)
Investing activities					
Purchase of tangible fixed assets		(475,114)		803,462	
Proceeds on disposal of tangible fixed assets			8,674		5,320,313
Purchase of investment property		-		(1,500,160)	
Proceeds on disposal of investment property		-		2,791,000	
Interest received		-		2	
Net cash (used in)/generated from investing activities			(466,440)		7,414,617
Financing activities					
Repayment of borrowings		-		(2,851,564)	
Repayment of bank loans		-		(784,941)	
Payment of finance leases obligations		(418,322)		(422,341)	
Net cash used in financing activities			(418,322)		(4,058,846)
Net decrease in cash and cash equivalents			(280,305)		(231,695)
Cash and cash equivalents at beginning of Period			789,027		1,020,722
Cash and cash equivalents at end of Period			508,722		789,027
Relating to:					
Cash at bank and in hand			508,722		789,076
Bank overdrafts included in creditors payable within one year			-		(49)

EUROPLAST (BLACKBURN) LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

1	Cash generated from operations	2017	2016
		£	as restated £
	Profit for the Period after tax	850,833	721,611
	Adjustments for:		
	Taxation charged	134,743	25,667
	Finance costs	113,349	158,753
	Investment income	-	(2)
	(Gain)/loss on disposal of tangible fixed assets	(3,664)	132,517
	Gain on disposal of investment property	-	(52,580)
	Depreciation and impairment of tangible fixed assets	409,548	499,447
	Movements in working capital:		
	(Increase) in stocks	(262,023)	(100,570)
	(Increase) in debtors	(371,213)	(4,805,456)
	Increase in creditors	209,978	65,176
	(Decrease) in deferred income	(1,202)	(890)
	Cash generated from/(absorbed by) operations	<u>1,080,349</u>	<u>(3,356,327)</u>

2 Accounting policies

Company information

Europlast (Blackburn) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1 - 2 Euro House, Duttons Way, Shadsworth Business Park, Blackburn, Lancashire, BB1 2QR.

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

At the date of approval of the financial statements the company is reliant upon the ongoing support of its director in order to meet its liabilities. The director has confirmed that he has the resources available to provide this support for the foreseeable future.

2.3 Reporting period

The current reporting period covers from 1 April 2016 to 30 March 2017. The comparative reporting period covers the year to 31 March 2016.

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2017

2 Accounting policies

(Continued)

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Computer equipment	15% reducing balance
Motor vehicles	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

2.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

2 Accounting policies

(Continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost comprises direct materials costs.

2.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

2 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

2 Accounting policies

(Continued)

2.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2.17 Trust

The company has created a trust whose beneficiaries include employees of the company and their dependants. Assets held under this trust will be controlled by trustees who will be acting independently and entirely at their own discretion.

Where assets are held in the trust and these are considered by the company to be in respect of services already provided by employees to the company, the company will account for these as assets of the company until the earlier of it no longer having de facto control of these assets and it not obtaining future economic benefit from these assets. The value transferred will be charged in the company's profit and loss account for the year to which it relates.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Sale of goods	10,160,831	8,914,380
	<u>10,160,831</u>	<u>8,914,380</u>
Other significant revenue		
Interest income	-	2
Grants received	1,202	890
Rental income arising from investment properties	-	684,458
	<u>-</u>	<u>684,458</u>
	<u>10,160,831</u>	<u>8,914,380</u>
Turnover analysed by geographical market		
United Kingdom	9,920,167	8,904,358
Overseas	240,664	10,022
	<u>9,920,167</u>	<u>8,904,358</u>
	<u>10,160,831</u>	<u>8,914,380</u>

5 Operating profit

	2017 £	2016 £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(250,764)	(152,270)
Government grants	(1,202)	(890)
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	3,500
Depreciation of owned tangible fixed assets	164,880	213,997
Depreciation of tangible fixed assets held under finance leases	244,668	285,450
(Profit)/loss on disposal of tangible fixed assets	(3,664)	132,517
Profit on disposal of investment property	-	(52,580)
Cost of stocks recognised as an expense	5,389,165	4,753,272
Operating lease charges	180,312	1,372
	<u>5,389,165</u>	<u>4,753,272</u>
	<u>180,312</u>	<u>1,372</u>

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

6 Employees

The average monthly number of persons (including directors) employed by the company during the Period was:

	2017 Number	2016 Number
Administration	5	5
Production	85	76
Sales	1	1
	<u>91</u>	<u>82</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,217,956	1,042,394
Social security costs	74,078	56,765
Pension costs	5,563	1,697
	<u>1,297,597</u>	<u>1,100,856</u>

7 Director's remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>20,385</u>	<u>30,000</u>

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	<u>-</u>	<u>2</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>-</u>	<u>2</u>
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EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

9 Interest payable and similar expenses

	2017	2016 as restated
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	447	32,667
Interest on finance leases and hire purchase contracts	32,236	43,281
	<u>32,683</u>	<u>75,948</u>
Other finance costs:		
Other interest	80,666	82,805
	<u>113,349</u>	<u>158,753</u>

10 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	190,345	264,175
Adjustments in respect of prior periods	39,710	(3,073)
	<u>230,055</u>	<u>261,102</u>
Deferred tax		
Origination and reversal of timing differences	(95,312)	(235,435)
	<u>(95,312)</u>	<u>(235,435)</u>
Total tax charge	<u>134,743</u>	<u>25,667</u>

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

10 Taxation

(Continued)

The actual charge for the Period can be reconciled to the expected charge for the Period based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 as restated £
Profit before taxation	985,576	747,278
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	197,115	149,456
Tax effect of expenses that are not deductible in determining taxable profit	157,813	31,957
Change in unrecognised deferred tax assets	-	(238,509)
Effect of change in corporation tax rate	(6,332)	-
Permanent capital allowances in excess of depreciation	(7,379)	39,248
Research and development tax credit	(58,659)	-
Under/(over) provided in prior years	(34,756)	-
Deferred tax adjustments in respect of prior years	(113,059)	-
Chargeable gain	-	43,515
Taxation charge for the period	134,743	25,667

11 Tangible fixed assets

	Plant and fixtures, fittings machinery & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2016	3,919,731	82,071	55,914	4,145,770
Additions	470,964	-	4,150	475,114
Disposals	(5,490)	(2,760)	-	(12,250)
At 30 March 2017	4,385,205	79,311	60,064	4,608,634
Depreciation and impairment				
At 1 April 2016	1,493,074	65,924	34,323	1,617,034
Depreciation charged in the Period	394,026	2,323	3,745	409,548
Eliminated in respect of disposals	(2,890)	(1,694)	-	(7,240)
At 30 March 2017	1,884,210	66,553	38,068	2,019,342
Carrying amount				
At 30 March 2017	2,500,995	12,758	21,996	2,589,292
At 31 March 2016	2,426,657	16,147	21,591	2,528,736

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

11 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	1,344,298	1,581,527
Motor vehicles	42,155	49,594
	<u>1,386,453</u>	<u>1,631,121</u>
Depreciation charge for the Period in respect of leased assets	<u>244,668</u>	<u>285,450</u>

12 Stocks

	2017 £	2016 £
Raw materials and consumables	<u>731,678</u>	<u>469,655</u>

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,215,230	1,111,739
Other debtors	-	22,187
Prepayments and accrued income	12,414	90,007
	<u>1,227,644</u>	<u>1,223,933</u>
Amounts falling due after more than one year:		
Amounts due from group undertakings	<u>5,202,005</u>	<u>4,834,503</u>
Total debtors	<u>6,429,649</u>	<u>6,058,436</u>

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 as restated £
Bank loans and overdrafts	16	-	49
Obligations under finance leases	17	407,964	419,017
Trade creditors		1,685,752	1,497,903
Corporation tax		131,687	264,175
Other taxation and social security		2,508,120	2,561,500
Government grants	20	6,805	8,007
Other creditors		217,790	217,796
Accruals and deferred income		511,700	436,185
		<u>5,469,818</u>	<u>5,404,632</u>

The company's bankers hold a debenture over the assets of the company in respect of the company's borrowings and overdraft.

Other taxation and social security creditors and accruals include amounts due in respect of two prior year adjustments (see note 27).

15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	17	<u>440,325</u>	<u>847,594</u>

16 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	<u>-</u>	<u>49</u>
Payable within one year	<u>-</u>	<u>49</u>

17 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	407,964	419,017
In two to five years	440,325	847,594
	<u>848,289</u>	<u>1,266,611</u>

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

17 Finance lease obligations

(Continued)

Assets held under hire purchase or finance lease contracts are secured over the assets concerned.

18 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	19	144,396	239,708
		<u>144,396</u>	<u>239,708</u>

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	144,396	239,708
	<u>144,396</u>	<u>239,708</u>
Movements in the Period:		2017 £
Liability at 1 April 2016		239,708
Credit to profit or loss		(95,312)
		<u>144,396</u>
Liability at 30 March 2017		<u>144,396</u>

20 Government grants

	2017 £	2016 £
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Deferred income is included in the financial statements as follows:

Current liabilities	6,805	8,007
	<u>6,805</u>	<u>8,007</u>

21 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,563	1,697
	<u>5,563</u>	<u>1,697</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £	2016 £
Acquisition of tangible fixed assets	-	233,281

24 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	180,000	180,000

25 Related party transactions

Transactions with related parties

During the Period the company entered into the following transactions with related parties:

	Purchase of goods	
	2017 £	2016 £
Eurogarages Limited	30,957	26,520

Eurogarages Limited

A company controlled by close family members of the director.

In addition there is an amount included within trade creditors of £5,974 (2016: £7,010) due to Eurogarages Limited. This balance is repayable within the normal credit terms of the business.

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Eurogarages Limited	26,758	26,758

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

25 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2017 Balance £
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Amounts owed by related parties

Entities with control, joint control or significant influence over the company	5,202,005
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	2016 Balance £
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Amounts owed in previous period

Entities with control, joint control or significant influence over the company	4,834,503
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26 Controlling party

The parent company of Europlast (Blackburn) Limited is EP Holdings Limited, a company registered in Jersey.

The ultimate controlling party is Mr Zakir Issa, the director.

27 Prior period adjustment

A prior year adjustment has arisen to recognise a tax and interest liability in respect of tax avoidance schemes previously entered into by the company. The final outcome in this respect is still uncertain but the director considers it prudent to provide in full for the liability.

A second prior year adjustment has been included to recognise an agreed penalty, and fees, charged by the Health and Safety Executive in respect of an incident which occurred in August 2015.

EUROPLAST (BLACKBURN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2017

27 Prior period adjustment

(Continued)

Changes to the balance sheet

	At 31 March 2016			As restated £
	As previously reported £	Adjustment at 1 Apr 2015 £	Adjustment at 31 Mar 2016 £	
Creditors due within one year				
Taxation	(476,886)	(2,348,789)	-	(2,825,675)
Other creditors	(1,784,037)	(218,317)	(149,530)	(2,151,884)
Net assets	<u>6,070,605</u>	<u>(2,567,106)</u>	<u>(149,530)</u>	<u>3,353,969</u>
Capital and reserves				
Profit and loss	<u>6,050,605</u>	<u>(2,567,106)</u>	<u>(149,530)</u>	<u>3,333,969</u>

Changes to the profit and loss account

	Period ended 31 March 2016		
	As previously reported £	Adjustment £	As restated £
Administrative expenses	(2,823,213)	(66,725)	(2,889,938)
Interest payable and similar expenses	(75,948)	(82,805)	(158,753)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	<u>871,141</u>	<u>(149,530)</u>	<u>721,611</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.